

## Message Text

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PAGE 01 BUDAPE 00934 051332Z

12

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 EUR-08 L-01 SP-02 PRS-01 INR-05

/035 W

----- 007626

R 040608Z APR 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2937

C O N F I D E N T I A L BUDAPEST 0934

LIMDIS

NO DISTRIBUTION OUTSIDE DEPARTMENT//////////

E.O. 11652: GDS

TAGS: EFIN, HU

SUBJ: GOH INTEREST IN SETTLEMENT OF PRE-WW II COMMODITIES DEBT

REF: BUDAPEST 0892

1. AKAR CALLED EMBASSY ECONOFF TO FINANCE MINISTRY  
APRIL 2 TO DISCUSS UPCOMING TRIP TO U.S. AND REITERATE  
HUNGARIAN INTEREST IN SETTLING PRE-WW II COMMODITIES DEBT.  
HE AGAIN SUGGESTED THAT IT WOULD BE BEST IF NEGOTIATIONS  
ON THIS DEBT COULD BE HANDLED WITH FOREIGN BONDHOLDERS  
PROTECTIVE COUNCIL AS NEGOTIATING PARTNER. HE STATED  
THAT DEBT HAD BEEN CONVERTED TO A BOND IN 1925 AND THERE-  
FORE WAS ESSENTIALLY NO DIFFERENT FROM HUNGARIAN STATE  
BONDS WHICH HAD BEEN SUBJECT OF SETTLEMENT BY THE GOH  
AND FOREIGN BONDHOLDERS PROTECTIVE COUNCIL.

2. IN REPLY ECONOFF STATED THAT AKAR'S ORIGINAL PROPOSAL  
FOR SETTLEMENT OF THIS COMMODITIES DEBT VERY MUCH  
APPRECIATED AND HAD BEEN FORWARDED TO DEPARTMENT FOR  
COMMENT. HOWEVER, AS DEPARTMENT REPLY HAD NOT YET BEEN  
RECEIVED AND IT WAS POSSIBLE THAT LEGAL AND OTHER OBSTACLES  
MIGHT PRECLUDE PROTECTIVE COUNCIL FROM NEGOTIATING ON  
THIS QUESTION, IT WAS SUGGESTED THAT AKAR SHOULD CONSIDER  
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RAISING THE PROBLEM DIRECTLY WITH DEPARTMENT OFFICIALS

DURING HIS UPCOMING U.S. VISIT. IT WAS SPECIFICALLY  
PROPOSED THAT HE MIGHT WISH TO MEET WITH ANDREWS, BROWN,  
OR KWIATEK DURING UPCOMING U.S. VISIT TO DISCUSS THIS  
ISSUE.

3. AKAR DEPARTS FOR U.S. ON APRIL 6 AND WILL REMAIN  
THERE UNTIL APRIL 16. HE CAN BE CONTACTED IN NEW YORK THROUGH  
HUNGARIAN COMMERCIAL COUNSELOR GYULA LAKOS. EMBASSY  
RECOMMENDS THAT AKAR BE INVITED TO COME TO WASHINGTON  
TO DISCUSS POSSIBILITIES FOR SETTLEMENT OF THIS  
COMMODITIES DEBT IF DEPARTMENT OF OPINION THAT REAL  
POSSIBILITY EXISTS FOR SOME TYPE OF COMPROMISE SOLUTION  
ON THIS QUESTION. REFTEL ERRONEOUSLY SENT STADIS. RECOMMEND IT BE  
DOWNGRADED TO NO DISTRIBUTION OUTSIDE  
DEPARTMENT.  
MUDD

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NEGOTIATIONS, PROPERTY WAR CLAIMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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